

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.) DOCKET NO. 2020-0202
MAUI ELECTRIC COMPANY, LIMITED)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
dba HAWAIIAN ELECTRIC)
)
For Approval of the Charge Ready)
Hawai'i Pilot Project and to)
Recover Costs through the Renewable)
Energy Infrastructure Program)
Surcharge.)
_____)

DECISION AND ORDER NO. 38194

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DECISION AND ORDER

By this Order, the Commission approves, subject to certain conditions, the requests set forth in the Application¹ filed by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), MAUI ELECTRIC COMPANY, LIMITED ("MECO"), and HAWAI'I ELECTRIC LIGHT COMPANY, INC. ("HELCO") (collectively, "Hawaiian Electric" or the "Companies"), on December 4, 2020.²

¹"Hawaiian Electric Application; Verification; Exhibits A-D; and Certificate of Service," filed December 4, 2020 ("Application").

²The Parties to this proceeding are Hawaiian Electric and the DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 16-601-62(a). No persons moved to intervene or participate in this proceeding.

I.

BACKGROUND

HECO is the franchised provider of electric utility service on the island of Oahu, HELCO is the franchised provider of electric utility service on the island of Hawaii, and MECO is the franchised provider of electric utility service on the islands of Lanai, Maui, and Molokai.

A.

Procedural Background

On December 4, 2020, the Companies filed their Application seeking the Commission's approval to (1) implement their proposed Charge Ready Hawai'i Pilot Project ("Pilot"); (2) utilize their proposed accounting and ratemaking treatment for the Pilot; (3) recover the revenue requirements for the Pilot costs, including capital and incremental O&M costs totaling a cap of \$4.98 million, through the Renewable Energy Infrastructure Projects ("REIP") Surcharge mechanism until base rates that reflect the revenue requirements associated with the Pilot take effect in a future rate case for each respective Company;³

³Pursuant to the Phase 2 Performance-Based Regulation ("PBR"), Docket No. 2018-0088, Decision and Order No. 37507, issued on December 23, 2020 ("Decision and Order No. 37507"), Pilot costs will be recovered through the REIP surcharge until target revenues reflecting the revenue requirements associated with the Pilot take

and (4) waive the Companies' Tariff Rule No. 14 ("Rule 14") Service Connections for customers under the Pilot ("Rule 14 waivers"), as necessary to provide electrical service and facilities up to the customer owned charging stations.⁴

The Companies filed their Application pursuant to HRS §§ 269-6, and 269-91 through -96, and HAR § 16-601-74.

Between December 21, 2020, and May 13, 2021, the Commission received public comments and letters of support, filed in the docket record in the Commission's document management system ("DMS").⁵

On March 4, 2021, the Commission issued Order No. 37660,⁶ establishing the procedural schedule after amending the Parties' proposed procedural schedule.

effect in a future adjustment to target revenues for each respective Company, rather than being incorporated into base rates that take effect pursuant to a rate case.

⁴Application at 9.

⁵Available at: <https://dms.puc.hawaii.gov/dms/>, enter 2020-0202 into the "Docket Quick Link" field on the left side of the page.

⁶Order No. 37660, "Approving the Parties' Proposed Procedural Schedule," filed March 4, 2021 ("Order No. 37660").

On March 11, 2021 the Consumer Advocate ("CA") issued information requests ("IRs") to Hawaiian Electric,⁷ to which it timely responded on March 25, 2021.⁸

On April 1, 2021, the Commission issued IRs to Hawaiian Electric,⁹ to which it timely responded on April 9, 2021.¹⁰

On April 22, 2021, the Consumer Advocate filed its Statement of Position.¹¹

On May 6, 2021, Hawaiian Electric filed its Reply Statement of Position.¹²

⁷"Division of Consumer Advocacy's Submission of Information Requests," filed March 11, 2021 ("CA-IR-__").

⁸"Hawaiian Electric Responses to Consumer Advocate's Information Requests," filed March 25, 2021 ("Companies' Response to CA-IR-__").

⁹Letter From: Commission To: K. Katsura Re: Docket No. 2020-0202 - Application for Approval of the Charge Ready Hawai'i Pilot Project and to Recover Costs Through the Renewable Energy Infrastructure Program Surcharge, filed April 1, 2021 ("PUC-HECO-IR-__").

¹⁰Letter From: K. Katsura To: Commission Re: Docket No. 2020-0202 - Hawaiian Electric Companies For Approval of a Charge Ready Hawaii Pilot Project; Hawaiian Electric Responses to Commission's IRs, filed April 9, 2021 (Companies' Response to "PUC-HECO-IR-__").

¹¹"Division of Consumer Advocacy's Statement of Position," filed April 22, 2021 ("CA's SOP").

¹²"Hawaiian Electric's Reply Statement of Position; and Certificate of Service," filed May 6, 2021 ("Companies' Reply SOP").

Pursuant to Order No. 37660, no further procedural steps are contemplated, and this matter is ready for decision making.

B.

EoT Workplan and Innovative Pilot Framework

On October 29, 2019, pursuant to Commission guidance in Order No. 36448,¹³ issued in Docket No. 2018-0135, the Companies filed their Electrification of Transportation ("EoT") Workplan ("EoT Workplan"),¹⁴ which included among other things, schedule modifications to "ensure alignment of assumptions used to inform the Companies' EoT Rate Design filing with updated Integrated Grid Planning cost modeling, utilization of the newest data available, and incorporation of load impacts from the Companies' Stage 2 [Request for Proposals ("RFPs")]."¹⁵

Following the Companies' EoT Workplan submission, the Commission requested that Hawaiian Electric develop

¹³Docket No. 2018-0135, Order No. 36448, "Providing Guidance and Directing the Hawaiian Electric Companies to File a Workplan," filed July 31, 2019 ("Order No. 36448").

¹⁴Letter From: K. Katsura To: Commission Re: Docket No. 2018-0135 - EoT Strategic Roadmap; "Companies' Electrification of Transportation Workplan," filed October 29, 2019 ("EoT Workplan").

¹⁵Letter From: Commission To: K. Katsura Re: Docket No. 2018-0135, Instituting a Proceeding Related to the Hawaiian Electric Companies Electrification of Transportation Strategic Roadmap; "Workplan Schedule Extension and Pilot Projects Program Development," filed June 19, 2020 ("PUC Guidance").

"an innovative pilot projects framework [] for use in establishing new technologies, programs, and business models related to the Companies' EoT efforts."¹⁶ On August 31, 2020, in Docket No. 2018-0135, the Companies filed their EoT Innovative Pilot Framework ("IPF").¹⁷ On October 16, 2020, the Commission, on its own motion, issued Order No. 37373,¹⁸ which transferred the EoT IPF into Docket No. 2018-0088,¹⁹ the Commission's proceeding to investigate Performance Based-Regulation ("PBR"). The Commission determined that this transfer would "better position the EoT IPF for resolution as part of the comprehensive changes to Hawaiian Electric's regulatory structure."²⁰

¹⁶PUC Guidance at 1.

¹⁷Letter From: M. Chun To: Commission Re: Docket No. 2018-0135 - Hawaiian Electric Companies Electrification of Transportation ("EoT") Strategic Roadmap; EoT Innovation Pilot Framework Filing, filed August 31, 2020 ("EoT IPF").

¹⁸Docket No. 2018-0135, Order No. 37373, "Transferring the Electrification of Transportation Innovative Pilot Framework into Docket No. 2018-0088," filed October 16, 2020 ("Order No. 37373").

¹⁹Letter From: D. Matsuura To: Commission Re: Docket No. 2018-0088 - Instituting a Proceeding to Investigate Performance-Based Regulation; "Transferring EoT Innovative Pilot Framework Into Docket No. 2018-0088," filed October 29, 2020 ("PBR EoT IPF"). Although the EoT IPF filed in Docket No. 2018-0135 is substantively the same as the document filed in 2018-0088, "PBR EoT IPF" is used in this D&O to identify the current docket in which the EoT IPF is utilized and the docket in which the filing can be readily found (i.e., 2018-0088).

²⁰Order No. 37373 at 2.

On December 23, 2020, the Commission issued Decision and Order No. 37507, which established a PBR Framework ("PBR Framework") to govern Hawaiian Electric. Of immediate relevance to the instant docket, Decision and Order No. 37507 ordered that the "PBR Framework will incorporate . . . an expedited Pilot Process,"²¹ ("PBR Pilot Process") which is informed by, among other things, the Companies' PBR EoT IPF, and "intended to support initiatives by the Companies to test new programs and ideas quickly and elevate any successful pilots for consideration of full-scale implementation."²² Further, in Decision and Order No. 37507, the Commission noted:

that the Companies' EoT activities are expected to increase over the [Multi-year Rate Period ("MRP")], and that the Companies currently have several EoT pilot proposals before the Commission. If approved and successful, such pilots may be considered for elevation to larger-scale programs. These activities and increased data availability will inform the most appropriate areas where incentives are required to align performance with desired outcomes.²³

Relatedly, in Decision and Order No. 37507, the Commission observed that the Companies had submitted pilot proposals in 2020 in Docket Nos. 2020-0098, 2020-0152, and 2020-0202 (each of which the Commission stated it intended to

²¹Decision and Order No. 37507 at 32.

²²Decision and Order No. 37507 at 166.

²³Decision and Order No. 37507 at 159.

review concurrently throughout the Companies' progression through the Workplan Development phase of the PBR Pilot Process).²⁴ In observing these existing pilot proposals, the Commission noted that the pending pilot applications (i.e., in Docket Nos. 2020-0098, 2020-0152, and 2020-0202) would not be affected by the development of the Workplan, but would still be subject to other components of the PBR Pilot Process, if approved.

C.

Companies' Proposed Pilot

The Companies' Pilot proposes installing make-ready²⁵ infrastructure to enable an estimated 180 charging ports in the Companies' service territories. This is intended to support

²⁴The Workplan identified in Decision and Order No. 37507 refers to the resulting product following the undertaking of a "Workplan Development" phase, a component of the PBR Pilot Process. During this phase, areas of interests are identified and scoped, so as to inform the subsequent "Implementation" Phase, during which specific pilot proposals are submitted for expedited review by the Commission and implemented, upon approval, by the Companies. These two phases are the two primary activities drawn from the PBR EoT IPF. This Workplan is separate and different from the EoT Workplan developed and filed in Docket No. 2018-0135 on October 29, 2019.

²⁵The Companies explain that "make-ready" includes all infrastructure that the customer would otherwise be responsible for under Rule 14 Service Connections and is necessary to provide electrical service to the charging stations (including facilities on the customer side of the meter), but excludes the charging stations, which are provided by the customer. Application at 14.

customer installation of EV charging infrastructure at commercial sites, multi-unit dwellings ("MUDs"), and fleet parking locations at the Companies' expense. The Pilot would target 30 customer sites, over a 3-year period, across the three Companies (the individual capital expenditure for each Company is not expected to exceed \$2.5 million), at a total cost of no more than \$4.98 million.²⁶ Further, the Companies request "leeway to develop program participation details and requisite components necessary to implement the Pilot after Commission approval of the Pilot."²⁷

1.

Make-Ready Infrastructure Responsibilities

The Companies' proposal intends to reduce upfront costs for customers seeking to install EV charging infrastructure by providing make-ready infrastructure at Hawaiian Electric's expense, an approach that the Companies state has been implemented successfully in other states.²⁸ The table below captures the main roles and responsibilities for Hawaiian Electric and Pilot customers during the Pilot.

²⁶Application at 9.

²⁷Application at 33-34.

²⁸Application at 15.

Responsibility	Hawaiian Electric	Pilot Customer
Pays for and manages construction of the utility side of the meter such as line extensions, transformer upgrades, installing wire, and installing and testing metering	X	
Pays for and manages construction on the customer-side of the meter, up to the charger such as trenching, installing conduit, installing wire	X	
Maintains make-ready infrastructure over the useful life of the infrastructure asset	X	
Procures and pays for charging station and manages installation, testing, and commissioning		X
Maintains and incurs all costs associated with maintaining the charging station for the duration identified in the program agreement		X
Provides charging data for the duration identified in the program agreement		X

Responsibility	Hawaiian Electric	Pilot Customer
Agrees to the terms and conditions of the participation agreement that will be developed upon program approval		X
Obtains and pays for electric service under the proposed EV-J or EV-P tariffs [which the Companies have currently requested for 5 years after Commission approval in Docket No. 2020-0152, however, if the Pilot is approved, the Companies will submit a filing to extend the tariffs at the appropriate time] ²⁹		X

Application, Table 1, at 17.

2.

Customer Eligibility

The Companies advise that customers whose service is to single family homes are not eligible to participate in this Pilot.³⁰

²⁹Docket No. 2020-0152, Decision and Order No. 38157, issued on December 30, 2021 ("Decision and Order No. 38157") wherein the Commission approved, subject to certain conditions, Hawaiian Electric's requests related to establishing EV pilot rates (EV-J and EV-P). Currently, the Commission is awaiting Hawaiian Electric's tariff filings to implement the pilot rates, which the Commission afforded Hawaiian Electric 60 days (from the issuance date of Order No. 38157) to file.

³⁰Application at 14, n.26.

For customers who are not seeking single family home enrollment into the Pilot, the Companies identify that said customers will be guided through an eligibility screening process to identify whether the customer may participate in the program.³¹ The Companies intend to finalize the minimum eligibility requirements and the screening process (which may include a scorecard approach) following Commission approval of the Pilot.³² The Companies identify the following as potential minimum customer eligibility requirements:

- a. Participant must be a commercial customer, including MUD locations, of Hawaiian Electric.
- b. Provide evidence of EVs already existing at the location as well as indicators of near-term potential growth.
- c. Provide long dwell-time parking to EV drivers. Such locations include commercial, MUD, and fleet parking.
- d. Participant must own or lease (with at least 10 years remaining) the participating site and be the customer of record associated with the premises where the charging equipment for the EVs would be deployed.
- e. All necessary access and easement rights must be granted to Hawaiian Electric related to the siting, construction, and maintenance of the make-ready infrastructure.
- f. Participant must commit to acquire, own or lease, and operate charging stations for at least

³¹Application at 34.

³²Application at 31, 33-34.

ten (10) years and be responsible for operations and maintenance costs of the charging stations.

- g. Participant agrees to take service on the proposed EV-J or EV-P tariffs, if the tariffs are approved. The charging station must be separately metered from the rest of the site to support data collection.
- h. Participant agrees to provide acceptable proof of qualified charging equipment with actual pricing information prior to make-ready deployment by Hawaiian Electric.
- i. Participant must commit to install their qualified network-capable charge station at their own expense according to the agreed-upon project schedule between the Company and customer.
- j. Participant agrees to participate in the Pilot program for the full Pilot duration of approximately three (3) years including program-related surveys and interviews, as well as the post-Pilot obligation to maintain operation of the charging station and allow the Companies data collection for an additional ten (10) years.
- k. Participant commits to maintain charging equipment in working order and to comply with data collection, including EV charging usage data, for ten (10) years after installation of the charging station.
- l. Participant agrees to terms of a participation agreement, including indemnity, insurance, and liquidated damages for non-performance.³³

Regarding site eligibility, the Companies plan to consider:

- a. Participant site must be located within Hawaiian Electric's service territories.
- b. Participant site must serve as the charging location for all charging equipment.

³³Application at 34-36.

- c. Participant site must install four (4), but not more than six (6) charging ports of qualified charging stations.
- d. Participant site must include an appropriate and sufficient location within the site to cost-effectively install make-ready infrastructure and charging equipment, based upon parameters including proximity to transformers, length of required trenching, available transmission and distribution capacity and facilities as determined by Hawaiian Electric.
- e. Participant site must not have environmental, land use or other permitting issues such as existing contamination, flooding or zoning concerns.³⁴

In determining the implementation framework, the Companies have preliminarily identified a six-step participant journey to inform the Pilot implementation process. The steps, as currently envisioned, are: (1) Application, (2) Funding Reservation, (3) Pre-Construction Commitment and Documentation, (4) Design and Build, (5) Charger Installation, and (6) Verification and Data Collection.³⁵ Considering the Pilot impacts following implementation, the Companies acknowledge that:

[w]hile this particular Pilot is not expected to trigger any major distribution-level upgrades, the Pilot will enable the Company to collect additional data on the impacts of EV charging station deployment, which will help develop a more detailed and thorough distribution-level

³⁴Application at 36-37.

³⁵Application at 37.

[analysis] to support future load modeling efforts
[as] the transportation sector transforms.³⁶

Finally, the Companies note that additional benefits, such as reduction in greenhouse gas ("GHG") emissions as a result of the Pilot and the establishment of a foundation for future participation in grid services, are yet to be quantified, but are anticipated.³⁷

3.

Pilot Costs

The Companies offer that a conservative approach was taken in developing an "all in" cost estimate, the basics of which are captured in the table that follows. The Companies further assert that evaluation of cost assumptions will take place as a part of the Pilot.³⁸

	Oahu (14 sites) \$	Hawaii (8 sites) \$	Maui (8 sites) \$	Total (30 sites) \$
Utility Side of the Meter Work				
Outside Services - Engineering	7,690	4,394	4,394	16,478
Outside Services - Construction	84,592	48,338	48,338	181,268

³⁶Application at 41.

³⁷Application at 6.

³⁸Application at 18.

	Oahu (14 sites) \$	Hawaii (8 sites) \$	Maui (8 sites) \$	Total (30 sites) \$
Materials	67,820	38,607	38,223	144,650
Customer Side of the Meter Work				
Outside Services - Engineering	76,369	43,639	43,639	163,647
Outside Services - Construction	840,055	480,031	480,031	1,800,117
Materials	673,490	383,400	379,583	1,436,473
Outside Services - Project Management of Capital Projects	233,333	133,333	133,333	499,999
Outside Services - Engineering	116,667	66,667	66,667	250,001
AFUDC	89,123	54,599	47,633	191,355
Total Capital	2,189,139	1,253,008	1,241,841	4,683,988
O&M	140,000	80,000	80,000	300,000
Total Cost	\$2,329,139	\$1,333,008	\$1,321,841	\$4,983,988

Application, Table 2, at 17-18.

4.

Timeline and Impact of COVID-19

The Pilot is planned to include three phases:
 (1) Design, during which the Companies will develop necessary documentation for Pilot implementation, while continuing to solicit customer interest (estimated to be six (6) to

eight (8) months), (2) Implementation, during which the Companies will work with customers to confirm eligibility and site sufficiency, as well as design, construction, and installation of make-ready infrastructure (estimated to be 18 months), and (3) Utilization and Data Collection (estimated to be 12 months), which will begin following completion of the Implementation phase and will involve the Companies collecting data "such as deployment costs, load profiles, barriers to charging infrastructure deployment, load management options, impact of rates[,] and customer experience."³⁹ The Companies intend to use the collected data to support a final report that will be filed upon completion of the Pilot period.

The Companies have considered the potential impacts of COVID-19 and note that there may be supply chain constraints, declines in vehicle sales, and delays in manufacturing, which would reduce participation in the rates proposed in the Pilot, but the Companies do not anticipate these impacts having material negative effects on implementing the Pilot.⁴⁰

³⁹Application at 20.

⁴⁰Application at 44.

D.

Companies' Position

The Companies developed a business case analysis to evaluate the overall cost impact of the Pilot over time. The Companies note that "[t]his analysis considers benefits to Pilot participants, current and future EV drivers and Hawai'i's communities and environment."⁴¹ The Companies project that participation in the Pilot will provide customers the opportunity to realize fuel savings relative to gasoline when they are charging at Pilot participating commercial locations, and said locations will also be afforded low demand charges as compared to the Companies' existing rates. Although the Companies do not expect the revenues from the Pilot sites' energy consumption (on the proposed EV-J and EV-P tariffs) to cover the cost of implementing the Pilot, the Companies provide that the total requested Pilot budget of \$4.98 million "will fund the make-ready infrastructure to support 180 charging ports across 30 sites."⁴² Further, the Companies suggest that, given the overall projections for EV adoption over the next 10 to 12 years, "total EV charging revenue from the proposed EV-J and EV-P rates significantly outweigh the

⁴¹Application at 20.

⁴²Application at 21.

Pilot costs, thereby continuing to apply downward pressure on rates for all ratepayers.”⁴³

The Companies support this point by noting the cost-benefit analysis approach utilized, the ratepayer impact model (“RIM”), which was used to consider three main scenarios: (1) Base Utilization, (2) High Utilization, and (3) Future EV Forecast (the cost-benefit analysis was performed for the years 2023-2032, which assumed Pilot sites were installed from 2022 to 2023).⁴⁴ The Companies explain that “the RIM test was used to consider utility revenue from the incremental load at the Pilot sites, compared with the electricity supply costs to serve this load”⁴⁵ to identify overall impact on ratepayers. The Companies state that this analysis informed the Companies that “even under an optimistic utilization scenario, the revenues associated with the charging stations in the Pilot are not sufficient to cover the Pilot infrastructure costs.”⁴⁶ The Companies also identify that the RIM results for managed charging cases indicate greater net costs than in the unmanaged charging cases, which is the result of the benefits from

⁴³Application at 21.

⁴⁴Application at 22.

⁴⁵Application at 22.

⁴⁶Application at 24.

electricity supply cost savings being outweighed by the reduction in bill revenue seen from customers who shift their behavior to minimize charging costs.⁴⁷ Despite this, Hawaiian Electric notes its anticipation that EV adoption will grow significantly over the next 10 years and, in consideration of a full forecast of EVs and charging stations, asserts that "if EV adoption and utilization of the proposed tariffs ramp up as forecasted on each island, the Pilot's costs will be fully recovered by 2025."⁴⁸ Summarily, the Companies state that:

any cost concerns are further addressed by the fact that the efforts herein reflect an important preliminary investment in infrastructure to support future growth in the [EOT] space. As shown in this future EV forecast scenario, there is significant potential for overall net benefits to ratepayers resulting from EV charging at commercial locations. The cost of this Pilot is small compared to the overall net benefits that may occur, and the Pilot is an important stepping stone to support and accelerate EV adoption to result in broader ongoing benefits to all ratepayers in the future.⁴⁹

Other broader and ongoing benefits that the Companies identify include the Pilot's "aim to help encourage EV adoption with greater charging access in key locations," as well as the reduction of gasoline use in Hawaii, and the support of the State's

⁴⁷Application at 26.

⁴⁸Application at 29.

⁴⁹Application at 30.

GHG emissions reduction goals and commitments.⁵⁰ In addition to the broader ongoing benefits the Companies project, key benefits to Pilot participants are also anticipated, namely, minimization of upfront cost for EV charger deployment. The Companies assert that “[b]y providing the make-ready infrastructure, the Pilot will help participants be able to afford EV charging stations at their site[,]”⁵¹ which could otherwise be inaccessible to the participant in many cases because of the cost prohibitive nature of EV charging infrastructure. Taken in total, the Companies believe that the Pilot will benefit both current and future EV drivers by providing options to expand EV charging access.

E.

Consumer Advocate’s Position

The Consumer Advocate does not object to the Pilot “to the extent that it will support the State’s EoT goals while allowing [the Companies] to further assess the costs and workflows necessary to support make-ready infrastructure and inform the feasibility and cost-effectiveness of a broader program deployment.”⁵² In developing this conclusion,

⁵⁰Application at 32.

⁵¹Application at 31.

⁵²CA’s SOP at 58.

the Consumer Advocate evaluated the Application and considered: (1) whether the Pilot is reasonable and in the public interest; (2) whether the proposed accounting and ratemaking treatment should be approved; and (3) whether the proposed waiver for relevant sections of Rule 14 Service Connection should be approved.⁵³

Whether the Pilot Rates Are Reasonable and in the Public Interest. In its assessment of whether the proposed Pilot rates are reasonable and in the public interest, the Consumer Advocate considered: (1) whether the Pilot is expected to facilitate increased EV adoption, (2) the net financial impact on non-participating ratepayers, (3) GHG impacts; and (4) ensuring the Pilot's intended outcomes are realized.

The Consumer Advocate observes that there appears to be significant interest in deploying EV charging stations in response to a make-ready pilot, which suggests that the Pilot may facilitate the availability of more EV charging stations and, subsequently, increased EV adoption.⁵⁴ With regard to the net financial impact on non-participating customers, the Consumer Advocate identifies that while the proposed Pilot aims to facilitate and to help increase EV adoption by lowering the upfront costs associated with

⁵³CA's SOP at 9.

⁵⁴CA's SOP at 16.

the charging infrastructure cost, the Pilot is expected to result in slight bill increases during the term of the Pilot and beyond.⁵⁵ To address these and other concerns related to costs of the Pilot to ratepayers, the Consumer Advocate offers recommendations aimed at achieving a reduction in the costs of the Pilot to ratepayers, while encouraging broader use and deployment of Pilot infrastructure, and transparency regarding the actual impacts of the Pilot on ratepayers.⁵⁶

In its analysis of GHG impacts, the Consumer Advocate observes that that the Companies' GHG analysis indicated that avoided GHG emissions of the Pilot increase with greater infrastructure utilization. In consideration of this, the Consumer Advocate recommends that the Companies seek sites that are able to support high volumes of EV charging, and further recommends that the Companies include avoided GHG emissions based on actual charging and avoided fuel consumption, as part of the Companies' final Pilot report.⁵⁷ Lastly, with regard to realization of the Pilot's outcomes, the Consumer Advocate views the Companies' initial metrics as a starting point and recommends that the Companies provide additional and more specific metrics,

⁵⁵CA's SOP at 32.

⁵⁶CA's SOP at 32.

⁵⁷CA's SOP at 35.

which may include metrics for Education/Outreach and Customers as well as market information.⁵⁸

Whether the proposed accounting and ratemaking treatment should be approved. In its analysis, the Consumer Advocate does not object to the Pilot being included in the PBR Pilot Process, with the caveat of adding a recommendation that the Companies recover the Pilot's costs incurred as stipulated by the PBR Framework.⁵⁹ Further, the Consumer Advocate assesses that providing make-ready infrastructure through the Pilot encourages renewable choices for commercial customers seeking to offer EV charging services at their sites. Thus, the Consumer Advocate concludes that the Pilot is an eligible REIP project.⁶⁰ The Consumer Advocate affirms that it will not object if the Commission is inclined to allow Hawaiian Electric recovery of qualifying costs that meet the necessary eligibility requirements for inclusion to be recovered through the REIP Surcharge. However, the Consumer Advocate clarifies that until further justification is provided, it does not believe that the data collection costs should be recoverable through the REIP Surcharge. The Consumer Advocate also recommends that, "if the Commission is

⁵⁸CA's SOP at 36.

⁵⁹CA's SOP at 45.

⁶⁰CA's SOP at 50.

inclined to recommend recovery through the REIP Surcharge, the Commission revisit the further recovery of any costs, including earning a rate of return on infrastructure beyond the term of the Site Agreement.”⁶¹

Whether the proposed waiver for relevant sections of Rule 14 Service Connection should be approved. In its analysis of the Companies’ request for waiver of Rule 14, the Consumer Advocate found that the requested waivers are consistent with the Pilot’s intent to furnish, own, install, and maintain make-ready infrastructure on the customer side of the meter.⁶² Thus, the Consumer Advocate does not object to waivers of Rule 14.A.1.a. and 2.a.; Rule 14.B.1.C., 2.a., 2.b.(1), 2.b.(2), 3.a. and 3.b.; and Rule 14.C.2.b., 2.c., 3.b., and 3.c. for participants, to the extent necessary for Pilot implementation. However, the Consumer Advocate notes its continued concern regarding potential increased liability resulting in increased insurance premiums, and cautions that despite the Companies’ stated intention to “develop contractual measures in the participation agreement during the design period to help mitigate such liability,”⁶³ the Consumer Advocate recommends that the Companies

⁶¹CA’s SOP at 55.

⁶²CA’s SOP at 57.

⁶³CA’s SOP at 58, quoting the Companies (citation omitted).

"describe the results of its evaluation regarding the potential increased liability risk described above, as well as the measures [the Companies intend] to put in place to mitigate such liability in its reports under the [PBR] Pilot Process."⁶⁴

Summarily, in support of its non-objection to the Commission's approval of the Companies' Pilot, the Consumer Advocate offers the following recommendations:

- Prioritize sites serving the greatest number of EVs and with the lowest deployment cost, while also balancing deployment in underserved communities and at sites where the EV charging stations are publicly accessible. Towards this end, the Companies might consider several application review and approval periods.
- Clarify whether the Companies would seek to recover Pilot revenue requirements for a site location that no longer purchased electricity from the Companies. Discuss the Companies' assessment of the likelihood that Pilot participants would face incentives to install distributed energy resources [("DERs")], and the impact that would have on charging revenues.
- Consider requiring participants to commit to a certain amount of charging and/or revenue to mitigate the financial risks of the pilot on ratepayers and present such plan as part of the final program design report.
- Track costs incurred to provide service to EV charging stations, develop a plan accompanied by other relevant data from the Pilot, and conduct an analysis projecting the potential impact of the plan to demonstrate that future efforts would show a definitive financial benefit. In addition, to the extent that the Hawaiian Electric Companies' future plans include continuing to provide and maintain

⁶⁴CA's SOP at 58.

make-ready infrastructure after the Pilot has ended and recovering costs associated with the provision and maintenance of such infrastructure, an assessment of the potential to apply downward pressure on the rates for all ratepayers should account for all costs that the Companies would seek to recover from ratepayers.

- Provide an analysis of the bill impacts and net benefit (cost) of the Pilot to ratepayers, including direct costs associated with the program and the offsetting revenues collected from participants, in the final report. The Companies should also include an analysis of any downward pressure on rates based on the increased load from the Pilot and discuss how these results can inform a broader analysis of the impact of EV charging on the proposed EV-J and EV-P rates consumers will face.
- Provide GHG emissions specific to the Pilot and based on actual EV charger utilization and charging in the final Pilot report.
- Describe the results of its evaluation regarding the potential increased liability risk from the behind-the-meter infrastructure associated with the Pilot, as well as the measures it will put in place to mitigate such liability.
- Identify additional data collection and reporting metrics (to be included in the final program design report).
- Assess and report on, as part of their Pilot update reports: 1) challenges and lessons learned (rather than only in the final report), and 2) the magnitude and consistency of EV charging that would need to occur on a circuit to enable more DERs to be deployed and to demonstrate locations where increased headroom for DER deployment occurred as a result of increased EV charging at EoT pilot participant locations.⁶⁵

⁶⁵CA's SOP at 59-61.

F.

Public Comments

The Commission received a number of public comments and letters of support filed in the instant docket and, while they are not dispositive of the Commission's decision in this matter, they demonstrate the level of public and stakeholder interest in this Pilot. As documented in the Commission's DMS, the following entities submitted public comments: A-Z Bus Sales Hawaii, Chamber of Commerce Hawaii, Ronald N.S. Ho & Associates, Inc., University of Hawai'i Maui College, State of Hawaii Department of Transportation, Hawaii Electric Vehicle Association, Young Brothers, Alliance for Transportation Electrification, Oahu Metropolitan Planning Organization, Earth Justice on behalf of Blue Planet Foundation, Proterra, and, as noted above, ChargePoint.

G.

Companies' Reply

In reply to the Consumer Advocate's SOP, the Companies reiterate that the Pilot should be approved, citing the Consumer Advocate's determination not to object to the Pilot, subject to certain recommendations. The Companies clarify, as a foundational matter, that pursuant to Decision and Order No. 37507, the Companies will file the final program design report as part of

the annual Pilot Update reports, and will move to the Pilot implementation phase as soon as the Pilot design phase has been completed.⁶⁶

Ratepayer Impacts and Benefits. The Companies acknowledge the Consumer Advocate's concern regarding minimizing risk to, and identifying net positive benefits for, nonparticipating ratepayers. In response, the Companies note that "[p]ilot risks are already mitigated by the Pilot cap, the limited Pilot scope and duration, as well as ongoing reporting and Commission oversight under the PBR Pilot Process."⁶⁷ The Companies agree to "prioritize sites that can serve the greatest number of electric vehicles, based on information that the applicants provide at the onset and compared to the other applications received at that time[,] "⁶⁸ but state that deploying with lowest deployment costs, as suggested by the Consumer Advocate, is not optimal. Instead, the Companies state that they will work to develop threshold costs for projects to help "de-select or de-prioritize projects that appear to be disproportionately costly or slow in deployment."⁶⁹ The Companies also express an openness

⁶⁶Companies' Reply SOP at 12.

⁶⁷Companies' Reply SOP at 13.

⁶⁸Companies' Reply SOP at 13.

⁶⁹Companies' Reply SOP at 13.

to reserving a percentage of the Pilot funds to deploy infrastructure in underserved communities and for sites that provide unrestricted public access to charging facilities, if the Commission issues such a determination.⁷⁰

Regarding the Consumer Advocate's concerns related to the installation of DERs by Pilot customers, the Companies indicate that if the Commission determined it was appropriate to include a prohibition of the installation of DERs onto the meter that provides charging infrastructure in the Pilot, the Companies would be amenable to including such language in the Pilot participation agreement.⁷¹ The Companies alternatively state that "evaluating the inclusion of DER as part of the application, and prioritizing customers with charging designs that offer favorable benefits for all rate payers"⁷² is also an approach to which the Companies are amenable.

Concerning the Consumer Advocate's request for clarity regarding infrastructure being considered used and useful and the passing on of the costs to ratepayers, the Companies offer that:

[t]he [Companies' plan] to include protections in the Participation Agreement to require, among other things, that if a participant terminates its participation in the pilot, fails to install,

⁷⁰Companies' Reply SOP at 15.

⁷¹Companies' Reply SOP at 17.

⁷²Companies' Reply SOP at 17.

or removes without replacing, the charging equipment, or the [Companies terminate] the Participation Agreement due to participant's failure to comply with the terms and conditions of the Agreement, the participant will pay all costs incurred or committed to be incurred by the [Companies] in connection with designing, implementing, and deploying make-ready infrastructure at the [P]ilot site - both on the utility side of the meter and behind the meter ("Site Costs").⁷³

The Companies offer that "payments from the termination of the Participation Agreement would be treated as revenues received through the REIP and/or through the Proposed Pilot Process⁷⁴ for the purposes of the reconciliation of those mechanisms."⁷⁵

In consideration of the Consumer Advocate's request to describe the results of the Companies' evaluation regarding potential increased liability from behind the meter infrastructure associated with the Pilot, the Companies offer that this concern can be addressed in the Participation Agreement. The Companies anticipate that:

the Participation Agreement will contain an indemnification provision that, among other things, will protect the Company against claims arising out of (a) any breach of the representations,

⁷³Companies' Reply SOP at 15-16.

⁷⁴Docket No. 2018-0088, "Hawaiian Electric Companies' Proposed Pilot Process; Exhibit 1; and Certificate of Service," filed April 30, 2021 ("Proposed Pilot Process").

⁷⁵Companies' Reply SOP at 16; Proposed Pilot Process.

warranties, covenants, or obligations of participant under the Agreement, or (b) any act or omission of participant, in connection with the performance or nonperformance under the Agreement. The Company also anticipates that the Participation Agreement may contain certain minimum insurance requirements of the participant. With regard to impacts on the Company's insurance premiums, the Company notes that it is still evaluating this issue and that it will be dependent on, among other things, actual site implementation. Any such impact can be reported upon as part of the final Pilot report.⁷⁶

GHG Emissions Analysis. The Companies propose to report GHG emissions associated with the Pilot in the annual Pilot Update report "after the end of the three (3) year Pilot period with the calculation based on actual EV charger utilization and charging, to the extent the data is available".⁷⁷

Accounting Treatment and Cost Recovery. The Companies note submission of the Proposed Pilot Process in Docket No. 2018-0088 on April 30, 2021, and request that if the Commission is not inclined to approve the accounting treatment and cost recovery proposed in the Application, the Commission then allow the Companies to recover costs pursuant to the cost recovery process set forth in the Proposed Pilot Process.⁷⁸ The Companies identify that the Consumer Advocate "does not object to the Pilot

⁷⁶Companies' Reply SOP at 21-22.

⁷⁷Companies' Reply SOP at 20.

⁷⁸Companies' Reply SOP at 6.

being included in the PBR Pilot Process, and recommends that recovery of the Pilot's costs be allowed as stipulated by the PBR Framework."⁷⁹ Further, the Companies assert their belief that "all costs incurred or committed to be incurred are subject to recovery[,]""⁸⁰ and further believe that "the [Companies] should be afforded the opportunity to recover the full cost of the Pilot, subject to the Pilot caps."⁸¹ Even with this assertion, the Companies point out that if the Commission approves the use of the Proposed Pilot Process cost recovery method, the Consumer Advocate's recommendation to limit the period of cost recovery to the term of the Site Agreement (if recovery through the REIP surcharge is approved) would not apply. The Companies assert this is the case because "all Pilot project costs would be deferred and recorded as expense in the applicable function expense account(s) and recovered in full over twelve months beginning June 1 of the following year."⁸²

Reporting and Analysis. The Companies agree with the Consumer Advocate to report on challenges and lessons learned, but do not plan to evaluate the magnitude and consistency of EV

⁷⁹Companies' Reply SOP at 6 (citation omitted).

⁸⁰Companies' Reply SOP at 15.

⁸¹Companies' Reply SOP at 23.

⁸²Companies' Reply SOP at 24.

charging during the duration of the Pilot, as the Companies believe that data available for such evaluation would be too limited during the Pilot.⁸³ Further, the Companies plan to include actual costs and bill impact analysis of net costs after revenues collected from the Pilot participants for the duration of the Pilot, as opposed to the Consumer Advocate's recommendation to "provide an analysis of the bill impacts and net benefit (cost) of the Pilot to ratepayers, including direct costs associated with the program and the offsetting revenues collected from participants, in the final report."⁸⁴ The Companies further agree to track and report on the costs incurred to provide service to the EV charging stations related to the Pilot, and "will evaluate the Pilot in order to determine whether a larger-scale make-ready infrastructure program will be warranted[,] " but the Companies do not agree that any future plans must demonstrate that "future efforts show a 'definitive' financial benefit[,] " as the Consumer Advocate recommends.⁸⁵ Relatedly, the Companies agree "to include an analysis of charger utilization and the feasibility of developing of [sic] a minimum usage condition as part of the

⁸³Companies' Reply SOP at 23.

⁸⁴Companies' Reply SOP at 19.

⁸⁵Companies' Reply SOP at 19.

Pilot's final report."⁸⁶ The Companies present this option as it is the Companies' contention that it is too early in the Pilot development process to implement the Consumer Advocate's recommendation to require Pilot participants to commit to a certain amount of charging and/or revenue to mitigate the financial risks of the pilot on ratepayers, as determining minimal usage requirements at this stage would be premature.⁸⁷

II.

DISCUSSION

A.

Proposed Pilot

The Commission finds that the proposed Pilot is in alignment with Hawaiian Electric's EoT Roadmap and represents the Companies' advancement in support and acceleration of the electrification of transportation. Additionally, the Commission believes that implementation of the Pilot rates proposed in Docket No. 2020-0152 is indeed a critical component of the instant Pilot and that both Pilots should, together, yield meaningful data acquisition and experience that will enhance the development of a more permanent EV rate scheme and will inform the continued

⁸⁶Companies' Reply SOP at 18.

⁸⁷Companies' Reply SOP at 17.

development of EV charging infrastructure. The Commission further notes that Hawaiian Electric has recently filed an application in Docket No. 2021-0173 to implement a Public Electric Vehicle Charger Expansion Project,⁸⁸ in which Hawaiian Electric identifies the instant docket, as well as Docket Nos. 2020-0152, and 2020-0098, as among a number of interrelated dockets which collectively support its multifaceted approach of contributing to the State's EoT.⁸⁹

The Commission notes that its consideration of the Companies' utilization of the REIP Surcharge to recover costs of the Pilot is essentially moot because of the Commission's approval of the Companies' Proposed Pilot Process, which includes cost recovery directives. Further, the Companies have expressed an intent to adhere to the provisions of their Proposed Pilot Process.⁹⁰ The structures provided through the PBR Framework, such as reporting requirements through the PBR Pilot Process and

⁸⁸Docket No. 2021-0173, "Hawaiian Electric Application; Verification; Exhibits 'A' - 'J'; and Certificate of Service," filed October 29, 2021 ("2021-0173 Application").

⁸⁹See 2021-0173 Application at 33-34.

⁹⁰The Commission notes that it approved the Companies' Pilot Process in Order No. 37865 on July 9, 2021, and although the Companies' Reply SOP was filed on May 6, 2021, before the issuance of Order No. 37865, the Commission deems the Companies' commitment to follow the reporting requirements of the Pilot Process to refer to the approved version, and not the version that was pending when the Companies' Reply SOP was submitted.

Performance Mechanisms, are meant to encourage and reward the Companies for operating in alignment with policy objectives, system needs, and regulatory requirements, in a way that provides benefit to electricity consumers, utility customers, and the Companies. The Commission notes that these reporting requirements include reporting on specific EoT metrics and will therefore inherently capture some data from this Pilot. The Commission encourages the Companies to make additional Pilot data and findings available to the public to the greatest extent possible in order to facilitate transparency and promote market learning and development. Specifically, with respect to the additional 10 years of data collection that the Companies will require of Pilot participants, the Companies shall submit, as a part of the Pilot final report, a completed plan for how to make this post-Pilot data readily available to the interested public.

The Commission understands that the Companies' analysis indicates that the Pilot is not expected to achieve positive net revenue benefits over its three year duration. However, the Commission acknowledges the Companies' analysis and its indication that Pilot costs, in the long-run, will be covered by revenues from EV charging. Further, the Commission observes that the current Pilot comports with the Companies' outlook provided in its PBR EoT IPF, wherein the Companies state that:

[d]ue to higher startup costs and the inability to amortize capital over the actual life of the product it is difficult for pilots to achieve positive net revenue benefits over its short program duration. However, when benefit analyses include longer program cycles, and/or externalities (e.g. avoided grid upgrade costs in future years, GHG emissions reductions, improved economics at higher customer participation, etc.) then pilot projects can and should show a neutral or positive net customer benefits.⁹¹

Further, the Commission notes that in the Companies' PBR EoT IPF, the Companies identify that pilot projects should, among other achievements, "[t]arget a neutral or net positive benefit to non-participating customers through considerations such as new sources of revenue, cost savings over a defined time period, or other metrics such as a reduction in greenhouse gasses [sic] and contributions to state policy goals via the reduction in imported fossil fuels."⁹² Relatedly, the Commission notes the Consumer Advocate's observance that there appears to be demand for the Pilot, which is indicative of the necessity of investment in infrastructure to enable EV charging station development by commercial electric utility customers.

The Commission views EoT as critical to achieving the State's GHG reduction goals,⁹³ and understands that upfront

⁹¹PBR EoT IPF at 12, n.13.

⁹²PBR EoT IPF at 12.

⁹³See Decision and Order No. 37507 at 158.

investments can help spur the EV charging market and that data collected during the Pilot can inform the Companies' efforts to align EV charging with system needs and promote grid investment efficiency. Additionally, the Commission, in the Approved Pilot Process⁹⁴ requires reporting on the impacts to participants and non-participants, which will inform the Commission and stakeholders about the efficiency of the proposed investment.

The Commission is sensitive to the continued development of robust data sets and evaluation schemes that aim to capture not only the cost effectiveness of a utility's planned actions, but also societal and environmental impacts of said actions. While the development of these data sets and evaluation schemes is ongoing, the Commission finds that the Companies already have access to robust data and have established partnerships that inform the Companies of opportunities to develop and implement pilots and programs that serve their customers and the community broadly. The Commission notes the Companies' openness to reserve a

⁹⁴In the order establishing the PBR Framework, D&O 37507, the Commission established the "PBR Pilot Process." At that time the Commission provided basic parameters for what such a process should entail, but still required Hawaiian Electric to later file for review and approval a "pilot process," which Hawaiian Electric did, when it filed its Proposed Pilot Process. Upon review, the Commission approved Hawaiian Electric's Proposed Pilot Process, but with some modifications, such that the result, the Approved Pilot Process, is related to, but distinct from its prior iterations.

percentage of the Pilot funds to deploy infrastructure in underserved communities and for sites that provide unrestricted public access to charging facilities, if the Commission were to issue such guidance. The Commission finds that such guidance may be premature, as there is little evidence to indicate what an appropriate percentage would be, and if setting aside such an amount would in fact facilitate deployment of charge-ready infrastructure in underserved communities.

Still, the Commission finds that obtaining additional information in this subject area is important and thus directs that the Companies shall define "underserved communities" for the purposes of this Pilot, and include said definition in its Final Program Design Report. Further, the Commission encourages the Companies to deploy infrastructure in underserved communities and to prioritize when possible, sites that provide unrestricted public access to charging facilities, but declines to establish this as requirement of the Pilot at this time. In the event that the Companies successfully deploy charge-ready infrastructure in underserved communities, the Companies shall collect disaggregated data such that the Pilot reporting section which addresses "impact on underserved communities" contains a detailed and informative depiction that captures any particular benefits and or challenges observed during charge-ready infrastructure deployment in those areas.

Lastly, the Commission declines to prohibit Pilot participants from installing DERs. The Commission notes the Consumer Advocate's concern that allowing such deployment of DERs may put more costs onto non-participating ratepayers. However, the Commission finds that the limited number of participants permitted in this Pilot, as well as the three-year duration of the Pilot, should help to mitigate this effect, and further notes the ongoing Advanced Rate Design ("ARD") Track in which EV charging rates have been considered, as well as the DER Program Track, wherein the development of permanent DER Programs has been undertaken, both of which consider the costs of DER deployment on non-participating customers and are addressed in Docket No. 2019-0323.⁹⁵ Given this, the Commission finds that instead of disallowing participating customers from installing, DERs, the Companies shall collect data that identifies the number of Pilot participants who install DERs, the DER program into which said participants enroll, and usage data after DER installation shall be identified, such that usage before and after installation can be readily identified. The Companies shall report said findings in its Pilot Update. While the Companies are not required to, the Commission offers that one way to gather such information

⁹⁵See generally Docket No. 2019-0323, Order No. 37066, "Establishing Procedural Details and Modifying Hawaiian Electric's Customer Grid Supply Plus Program for Hawaii Island," April 9, 2020 ("Order No. 37066").

could be to include survey questions about whether and why Pilot participants installed DERs. This data could then be disaggregated from stations where DERs are deployed to determine revenue, cost, and GHG impacts and other data pertinent to informing consideration of a DER limitations requirement in a full-scale/future EoT program.

In consideration of the entirety of the record as contained in the instant docket, the Commission finds the Pilot to be reasonable and in the public interest and agrees with the Consumer Advocate in its assertion that approval subject to certain conditions is warranted.

B.

GHG Emissions

The Commission agrees with the Consumer Advocate's suggestion that "[t]o the extent that the Pilot facilitates greater adoption of EVs and charging of EVs during hours of high solar availability, the Pilot would align with the public interest considerations of facilitating the efficient use of solar-generated electricity, decreasing GHG emissions,"⁹⁶ which will thereby presumably contribute to decreasing the State's reliance on imported fossil fuels. However, the Commission notes

⁹⁶CA's SOP at 38.

that the Companies agree to report the GHG emissions associated with the Pilot in the annual Pilot Update report based on the three-year duration of the Pilot, which will yield calculations based on actual EV charger utilization and charging, to the extent the data is available. The Commission will permit the Companies' suggested end-of-Pilot calculation and reporting.

C.

Rule 14

To help facilitate Pilot implementation, the Companies request the following Rule 14 waivers: waivers of Rules 14.A.1.a. and 2.a.; 14.B.1.c., 2.a., 2.b.(1), 2.b.(2), 3.a. and 3.b.; and Rule 14.C.2.b., 2.c., 3.b., and 3.c.⁹⁷ The categories addressed by the Rule 14 waivers are meter installations and miscellaneous service equipment on customers' premises, service connections, and transformer installations on customers' premises.⁹⁸ The Companies' Application proposes to install, own, and maintain all make-ready infrastructure, including equipment necessary for service connections. As such, Rule 14, in its current iteration, imposes responsibilities on the customer,

⁹⁷See Application at 54-56.

⁹⁸See Application at 54-56.

such as, among other requirements, requiring the customer to provide:

(1) a transformer vault or room and all secondary equipment, grounding, ventilation equipment and other material necessary to receive service at the secondaries of the transformer or the secondary bus or (2) a transformer pad or foundation, structure, and necessary grounding as well as all secondary equipment and material necessary to receive service at the secondaries of the transformers or the secondary bus.⁹⁹

The Companies submit that the imposition of such requirements, and others identified in various sections of Rule 14, would be inconsistent with the Pilot's intent for the Companies to install, own, and maintain the make-ready infrastructure.

The Commission agrees and approves the Companies' request for a waiver of its Rule 14 Service Connections for customers under the Pilot, as necessary to provide electrical service and facilities up to the customer-owned charging stations.

D.

Reporting

In Decision and Order No. 37507, the Commission provided that "no Pilot Update will be required for 2021, as it is expected that no new pilots will yet be in place, given the PBR tariff

⁹⁹Application at 56 (citations omitted).

implementation details and Workplan process that must be accomplished first.”¹⁰⁰ While a Pilot Update will not be required in 2021, the Companies will be required to file a Pilot Update in 2022 that reflects all pilots approved in 2021. This Pilot Update shall include, at a minimum, the requisite update on the instant Pilot, and shall be filed on or before March 31, 2022, pursuant to the filing requirements provided in the Approved Pilot Process.¹⁰¹

In contemplation of a potential expansion of the Pilot, the Commission provides the following guidance regarding the Companies’ final report (which, pursuant to the Approved Pilot Process, may be included in the respective annual Pilot Update at the end of the three-year Pilot). The final report shall, at a minimum, include:

1. Actual costs of the Pilot, to include any costs that were previously unidentified, but were found to be necessary for Pilot implementation, with an explanation as to whether those costs were likely anomalies or would be expected to be necessary in future iterations of the program;

¹⁰⁰Decision and Order No. 37507 at 177.

¹⁰¹Docket No. 2018-0088, Order No. 37865, “Approving the Hawaiian Electric Companies’ Pilot Process,” filed July 9, 2021 at 8, n.21 (quoting Decision and Order No. 37507 at 175 to state that “[t]he Companies will file an annual comprehensive report covering all active pilots (‘Pilot Update’) by March 31 of each year.”) (“Order No. 37865”).

2. Lessons learned from project deployment, including ways to improve Pilot economics and efficiencies and reduce costs, as part of a potential program expansion;

3. Discussion of the interrelation of the progression of any decisions made in response to the Companies' application to commit funds in excess of \$2,500,000 for the Public Electric Vehicle Charger Expansion Project, to recover the capital and operations and maintenance expense costs through the exceptional project recovery mechanism, etc., filed in Docket No. 2021-0173;

4. An analysis of charger utilization and the feasibility of developing a minimum usage and or managed charging condition in the Pilot's final report; and

5. A completed plan that details how the Companies will make the ten years of post-Pilot data collection from Pilot participants' chargers readily available to the interested public.

The Commission notes the Consumer Advocate's recommendation for the Companies to identify additional data collection and reporting metrics (to be included in the Final Program Design Report), and affirms the Companies' intention to pursue this consideration during the design phase of the Pilot. As evidenced by the inclusion noted immediately above, the Commission deems the Companies' analysis of docket interrelations in its annual reporting for the Pilot critical to ensure that across the multiple EoT related dockets, the Companies

are remaining informed and are planning in coordination and collaboration with other related efforts.

Lastly, the Commission finds it necessary to emphasize how critical it will be for Hawaiian Electric to file robust reports and to obtain feedback regarding the effectiveness of the Pilot, including the overall customer and end-user experience. The Commission encourages Hawaiian Electric to continue to work with stakeholders, like those who provided public comments, as well as others it deems appropriate, to refine and develop the Pilot's data collection and reporting metrics, taking into consideration the suggestions provided by the Consumer Advocate in its SOP.

E.

Final Program Design Report

The Companies estimate that the program design phase of the Pilot will be eight months following the Commission's approval of the Pilot.¹⁰² Further, the Companies represent that they will submit a Final Program Design Report to the Commission in a consolidated report, which will also include "the pilot implementation report and evaluation, and the final report for

¹⁰²Companies' Reply SOP at 11.

the pilot, such that this reporting will coincide with the March 31 annual report required in the Pilot Process.”¹⁰³

The Commission, in approving the Companies’ request to be allowed “leeway to develop program participation details after Commission approval[,]”¹⁰⁴ finds it critical to still direct the Companies regarding the Final Program Design Report. The consolidated approach the Companies suggest in its SOP includes the final report, and the Commission finds that submitting the Final Program Design Report and final report at the same time would limit the opportunity for meaningful input as the Pilot is implemented. Thus, the Commission instructs that the Companies shall, as initially represented in the Companies’ Application, submit their Final Program Design Report prior to the implementation of the Pilot. Further, the Commission finds that particular documents should be included (when possible, in the entirety of their final format), in the submission of the Final Program Design Report. Specifically, the Companies shall include in their Final Program Design Report finalized copies of documents relating to the following design elements:

¹⁰³Companies’ Reply SOP at 12.

¹⁰⁴Application at 39.

- Terms and conditions for participation (i.e., the participation agreement);
- Program overview documentation;
- Pilot final report template;
- Program outreach collateral;
- Ongoing public outreach engagement strategy;
- Design of IT systems;
- Customer screening and enrollment processes and any exception handling;
- Post-approval Pilot design changes related to subsequent orders from the Commission in this and other dockets; and
- A clear demonstration that the Companies, in efforts to be cost effective, have earnestly sought competitive pricing for external services (for example, such a demonstration may include submission of the evaluation and request for information ("RFI") for contracted services).

The Commission reserves the right to review and provide comments to the Companies on the Final Program Design Report, generally, and specifically the finalized documents related to minimum eligibility requirements (for both the customer and the customer site), documentation of the screening process, and the

participation agreement, within 30 days of filing, provided that if the Commission does not issue comments, the Companies may proceed with the filed versions. The Consumer Advocate may also provide comments within this timeframe, and the Companies may consider both Commission comments and Consumer Advocate comments and need not amend the finalized documents unless ordered to do so by the Commission.

F.

PBR Pilot Process

The Commission notes Hawaiian Electric's contemplation of the application of the PBR Pilot Process, and articulation of its intention to adhere to the Pilot Process reporting requirements.¹⁰⁵ The Commission highlights that this Pilot will, by and large, be subject to the Approved Pilot Process, which includes said reporting requirements,¹⁰⁶ as well as a

¹⁰⁵The Commission reiterates that it approved the Companies' Pilot Process in Order No. 37865, and although Hawaiian Electric's Companies' Reply SOP was filed before the issuance of Order No. 37865, the Commission deems the Companies' commitment to follow the reporting requirements of the Pilot Process to refer to the approved version, and not the version that was pending when the Companies' Reply SOP was submitted.

¹⁰⁶Per the Companies' Approved Pilot Process, the Companies will file an annual comprehensive report covering all active pilots ("Pilot Update") by March 31 each year, for the prior year. The Pilot Update will, at minimum, contain the following information: (1) Implementation schedules and progress relative to the objectives and key performance metrics of the pilot; (2) Pilot

cost cap. In reference to the PBR Pilot Process cost cap, the Commission observes Hawaiian Electric's assertion that, upon approval, it would conform to the post-approval Pilot Process requirements including reporting, the pilot cost cap, and the Pilot Process cost recovery mechanism.

III.

ORDERS

THE COMMISSION ORDERS:

1. The Companies' Application, filed on December 4, 2020, to (1) implement their proposed Pilot; (2) utilize their proposed accounting and ratemaking treatment for the Pilot; (3) utilize recovery of the revenue requirements for the Pilot costs, and capital and incremental O&M costs totaling a cap of \$4.98 million, through the Approved Pilot Process; and (4) waive the Companies' Rule 14 Service Connections for customers under the Pilot, as necessary to provide electrical

impacts on underserved communities; (3) Pilot costs and revenues (if applicable), including cost analysis per participant, quantitative and qualitative benefits (for both pilot participants and non-participants); (4) Updates to estimated costs and schedule (e.g., if there were significant delays in receiving signed agreements from government agencies); (5) Qualitative description of the pilot and customer benefits; and (6) Any proposed changes to material aspects of the pilot, such as program pricing, terms or conditions, eligibility requirements, changes to the implementation schedule, or program cancellations (including reason for the cancellation).

service and facilities up to the customer owned charging stations,
is approved, with the following conditions:

A. The Companies shall adhere to the reporting requirements detailed in Section II.D.

B. The Companies' Final Program Design Report shall adhere to the requirements identified in Section II.E.


C. The Companies shall adhere to the cost recovery provisions identified in the Approved Pilot Process.

2. The Commission reserves the right to review, modify, and terminate the Pilot Program, consistent with the public interest.

DONE at Honolulu, Hawaii JANUARY 24, 2022.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

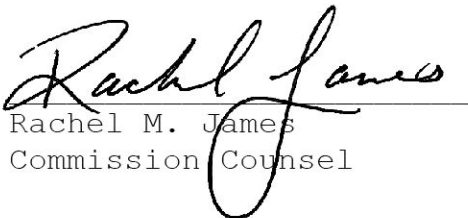
By


James P. Griffin, Chair

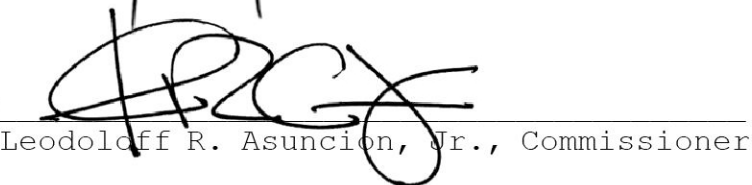
By


Jennifer M. Potter, Commissioner

APPROVED AS TO FORM:


Rachel M. James
Commission Counsel

By


Leodoloff R. Asuncion, Jr., Commissioner

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CERTIFICATE OF SERVICE

Pursuant to Order No. 37043, the foregoing order was served on the date it was uploaded to the Public Utilities Commission's Document Management System and served through the Document Management System's electronic Distribution List.

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